

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1256

FINAL READING

Introduced by Brashear, 4; Baker, 44; Dw. Pedersen, 39; Raikes, 25;
Schimek, 27

Read first time January 18, 2006

Committee: Education

A BILL

1 FOR AN ACT relating to early childhood education; to amend
2 sections 79-1101 and 79-1104, Reissue Revised Statutes
3 of Nebraska, section 84-613, Revised Statutes Cumulative
4 Supplement, 2004, and sections 79-1103 and 84-612,
5 Revised Statutes Supplement, 2005; to create the Nebraska
6 Early Childhood Education Endowment and funds; to
7 provide funding for early childhood education programs;
8 to harmonize provisions; and to repeal the original
9 sections.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1101, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-1101 (1) The Legislature finds and declares that:

4 (a) Early childhood education programs can assist children in
5 achieving their potential as citizens, workers, and human beings
6 and can strengthen families; (b) early childhood education has
7 been proven to be a sound public investment of funds not only
8 in assuring productive, taxpaying workers in the economy but also
9 in avoidance of increasingly expensive social costs for those who
10 drop out as productive members of society; (c) the key ingredient
11 in an effective early childhood education program is a strong
12 family development and support component because the role of the
13 parent is of critical importance; (d) while all children can
14 benefit from quality, developmentally appropriate early childhood
15 education experiences, such experiences are especially important
16 for at-risk infants and children; (e) current early childhood
17 education programs serve only a fraction of Nebraska's children and
18 the quality of current programs varies widely; (f) well-designed
19 early childhood education programs increase the likelihood that
20 children who participate will enter school prepared to achieve high
21 standards; (g) effective early childhood education programs require
22 staff with knowledge about child growth, development, and learning
23 and family systems; and (h) both public and nonpublic programs
24 which meet recognized standards of quality can address the growth,
25 development, and learning needs of young children.

1 (2) It is the intent of the Legislature and the public
2 policy of this state to encourage schools and community-based
3 organizations to work together to provide high-quality early
4 childhood education programs for infants and young children which
5 include family involvement. The purposes of sections 79-1101 to
6 79-1104 and sections 4 to 8 of this act are to provide state
7 assistance to selected school districts, cooperatives of school
8 districts, and educational service units for early childhood
9 education, to encourage coordination between public and private
10 service providers of early childhood education and child care
11 programs, and to provide state support for efforts to improve
12 training opportunities for staff in such programs.

13 (3) For purposes of sections 79-1101 to 79-1104, early
14 and sections 4 to 8 of this act:

15 (a) Board of trustees means the Early Childhood Education
16 Endowment Board of Trustees;

17 (b) Early childhood education program means any
18 prekindergarten part-day or full-day program or in-home
19 family support program with a stated purpose of promoting
20 social, emotional, intellectual, language, physical, and
21 aesthetic development and learning for children from birth to
22 kindergarten-entrance age and family development and support; -

23 (c) Endowment agreement means an agreement between the
24 State Department of Education and an endowment provider entered
25 into pursuant to section 4 of this act; and

1 (d) Endowment provider means an endowment that has met
2 the criteria described in section 4 of this act and that has
3 entered into an endowment agreement.

4 Sec. 2. Section 79-1103, Revised Statutes Supplement,
5 2005, is amended to read:

6 79-1103 (1)(a) The State Department of Education shall
7 establish and administer the Early Childhood Education Grant
8 Program. The Upon the effective date of an endowment agreement,
9 administration of the Early Childhood Education Grant Program with
10 respect to programs for children from birth to age three shall
11 transfer to the board of trustees. If there is no endowment
12 agreement in effect, the department shall request proposals in
13 accordance with this section for all early childhood education
14 programs from school districts, individually or in cooperation
15 with other school districts or educational service units, working
16 in cooperation with existing nonpublic programs which meet the
17 requirements of subsection (2) of section 79-1104. If there is
18 an endowment agreement in effect, the board of trustees shall
19 administer the Early Childhood Education Grant Program with respect
20 to programs for children from birth to age three pursuant to
21 section 5 of this act and the department shall continue to
22 administer the Early Childhood Education Grant Program with respect
23 to other prekindergarten programs pursuant to sections 79-1101
24 to 79-1104 and sections 4 to 8 of this act. All administrative
25 procedures of the board of trustees, including, but not limited to,

1 rules, grant applications, and funding mechanisms, shall harmonize
2 with those established by the department for other prekindergarten
3 programs.

4 (b) The first priority shall be for (i) continuation
5 grants for programs that received grants in the prior school fiscal
6 year and for which the state aid calculation pursuant to the Tax
7 Equity and Educational Opportunities Support Act does not include
8 early childhood education students, in an amount equal to the
9 amount of such grant, except that if the grant was a first-year
10 grant the amount shall be reduced by thirty-three percent, and
11 (ii) continuation grants for programs for which the state aid
12 calculation pursuant to the act includes early childhood education
13 students, in an amount equal to the amount of the grant for
14 the school fiscal year prior to the first school fiscal year
15 for which early childhood education students were included in the
16 state aid calculation for the school district's local system minus
17 the calculated state aid amount. The calculated state aid amount
18 shall be calculated by multiplying the cost grouping cost per
19 student for the school district's local system cost grouping by
20 the adjusted formula students attributed to the early childhood
21 education programs pursuant to the Tax Equity and Educational
22 Opportunities Support Act.

23 (c) The second priority shall be for new grants and
24 expansion grants for programs that will serve at-risk children who
25 will be eligible to attend kindergarten the following school year.

1 New grants may be given for up to three years in an amount up to
2 one-half of the total budget of the program per year. Expansion
3 grants may be given for one year in an amount up to one-half
4 of the budget for expanding the capacity of the program to serve
5 additional children.

6 (d) The third priority shall be for new grants, expansion
7 grants, and continuation grants for programs serving children
8 younger than those who will be eligible to attend kindergarten
9 the following school year. New grants may be given for up to
10 three years in an amount up to one-half the total budget of the
11 program per year. Expansion grants may be given for one year in
12 an amount up to one-half the budget for expanding the capacity of
13 the program to serve additional children. Continuation grants under
14 this priority may be given annually in an amount up to one-half the
15 total budget of the program per year minus any continuation grants
16 received under the first priority.

17 (e) Programs serving children who will be eligible to
18 attend kindergarten the following school year shall be accounted
19 for separately for grant purposes from programs serving younger
20 children, but the two types of programs may be combined within the
21 same classroom to serve multi-age children. Programs that receive
22 grants for school fiscal years prior to school fiscal year 2005-06
23 to serve both children who will be eligible to attend kindergarten
24 the following school year and younger children shall account for
25 the two types of programs separately for grant purposes beginning

1 with school year 2005-06 and shall be deemed to have received
2 grants prior to school fiscal year 2005-06 for each year that
3 grants were received for the types of programs representing the age
4 groups of the children served.

5 (2) Each program proposal which is approved by the
6 department shall include (a) a planning period, (b) an agreement
7 to participate in periodic evaluations of the program to be
8 specified by the department, (c) evidence that the program will
9 be coordinated or contracted with existing programs, including
10 those listed in subdivision (d) of this subsection and nonpublic
11 programs which meet the requirements of subsection (2) of section
12 79-1104, (d) a plan to coordinate and use a combination of
13 local, state, and federal funding sources, including, but not
14 limited to, programs for children with disabilities below five
15 years of age funded through the Special Education Act, the Early
16 Intervention Act, funds available through the flexible funding
17 provisions under the Special Education Act, the federal Head
18 Start program, 42 U.S.C. 9831 et seq., the federal Even Start
19 Family Literacy Program, 20 U.S.C. 6361 et seq., Title I of
20 the federal Improving America's Schools Act of 1994, 20 U.S.C.
21 6301 et seq., and child care assistance through the Department
22 of Health and Human Services, (e) a plan to use sliding fee
23 scales and the funding sources included in subdivision (d) of
24 this subsection to maximize the participation of economically and
25 categorically diverse groups and to ensure that participating

1 children and families have access to comprehensive services, (f)
2 the establishment of an advisory body which includes families
3 and community members, (g) the utilization of appropriately
4 qualified staff, (h) an appropriate child-to-staff ratio, (i)
5 appropriate group size, (j) compliance with minimum health and
6 safety standards, (k) appropriate facility size and equipment,
7 (l) a strong family development and support component recognizing
8 the central role of parents in their children's development, (m)
9 developmentally and culturally appropriate curriculum, practices,
10 and assessment, (n) sensitivity to the economic and logistical
11 needs and circumstances of families in the provision of services,
12 (o) integration of children of diverse social and economic
13 characteristics, (p) a sound evaluation component, including at
14 least one objective measure of child performance and progress, (q)
15 continuity with programs in kindergarten and elementary grades,
16 (r) instructional hours that are similar to or less than the
17 instructional hours for kindergarten, (s) well-defined language
18 development and early literacy emphasis, including the involvement
19 of parents in family literacy activities, (t) a plan for ongoing
20 professional development of staff, and (u) inclusion of children
21 with disabilities as defined in the Special Education Act, all as
22 specified by rules and regulations of the department in accordance
23 with sound early childhood educational practice.

24 (3) The department shall make an effort to fund programs
25 widely distributed across the state in both rural and urban areas.

1 (4) A report evaluating the programs shall be made to the
2 State Board of Education and the Legislature by January 1 of each
3 odd-numbered year. Up to five percent of the total appropriation
4 for the Early Childhood Education Grant Program may be reserved
5 by the department for evaluation and technical assistance for the
6 programs.

7 (5) Programs may be approved for purposes of the Tax
8 Equity and Educational Opportunities Support Act, expansion grants,
9 and continuation grants on the submission of a continuation
10 plan demonstrating that the program will continue to meet the
11 requirements of subsection (2) of this section and a proposed
12 operating budget demonstrating that the program will continue to
13 receive resources from other sources equal to or greater than the
14 sum of any grant received pursuant to this section for the prior
15 school year plus any calculated state aid as calculated pursuant to
16 subsection (1) of this section for the prior school year.

17 (6) The ~~board~~ State Board of Education may adopt and
18 promulgate rules and regulations to implement the Early Childhood
19 Education Grant Program, except that if there is an endowment
20 agreement in effect, the board of trustees shall recommend any
21 rules and regulations relating specifically to the Early Childhood
22 Education Grant Program with respect to programs for children from
23 birth to age three. It is the intent of the Legislature that the
24 rules and regulations for programs for children from birth to age
25 three be consistent to the greatest extent possible with those

1 established for other prekindergarten programs.

2 Sec. 3. Section 79-1104, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-1104 (1) Any school board in its discretion
5 may (a) establish and financially support programs providing
6 before-and-after-school or prekindergarten services, to which
7 attendance shall be voluntary and which the board may deem
8 beneficial to the education of prekindergarten or school-age
9 children and (b) provide or financially support transportation for
10 children to, from, or to and from programs as defined in section
11 71-1910. The board may charge a fee, not to exceed the actual cost,
12 for providing such programs and services but may waive such fee on
13 the basis of need. This section does not allow any school district
14 to fail to meet its responsibilities under the Special Education
15 Act.

16 (2) Prekindergarten programs established by school
17 boards or educational service units shall be approved by the
18 State Department of Education subject to regulations adopted and
19 promulgated by the State Board of Education and may include such
20 components as (a) the utilization of appropriately qualified staff,
21 (b) an appropriate child-to-staff ratio, (c) appropriate group
22 size, (d) compliance with minimum health and safety standards,
23 (e) appropriate facility size and equipment, (f) a strong
24 family development and support component, (g) developmentally and
25 culturally appropriate curriculum, practices, and assessment, (h)

1 well-defined language development and early literacy emphasis, and
2 (i) a plan for ongoing professional development of staff, all
3 in accordance with sound early childhood educational practice,
4 research, and evaluation. All teachers and administrators in
5 prekindergarten programs established pursuant to this section shall
6 hold a valid certificate or permit issued pursuant to sections
7 79-806 to 79-815. The State Board of Education shall adopt and
8 promulgate rules and regulations for the issuance of such permits
9 or certificates required by this section.

10 Sec. 4. (1) Within ninety days after the effective date
11 of this act, the State Department of Education shall request
12 proposals from private endowments with experience in managing
13 public and private funds for the benefit of children and families
14 in multiple locations in Nebraska to be the endowment provider for
15 the Nebraska Early Childhood Education Endowment upon the terms set
16 forth in this section.

17 (2) An endowment seeking to become the endowment provider
18 for the Nebraska Early Childhood Education Endowment shall agree
19 to:

20 (a) Irrevocably commit, subject to subdivision (4)(a) of
21 this section, no less than twenty million dollars in a private
22 endowment to be used solely as part of the Nebraska Early Childhood
23 Education Endowment within five years after the effective date of
24 the endowment agreement, of which no less than five million dollars
25 shall be pledged on the effective date of the endowment agreement.

1 A minimum of one million dollars shall be placed in the private
2 endowment prior to December 31, 2006, and a minimum of five million
3 dollars shall be placed in the private endowment prior to June 30,
4 2007;

5 (b) Commit all interest, earnings, and proceeds from such
6 private endowment for deposit into the Early Childhood Education
7 Endowment Cash Fund;

8 (c) Permit the board of trustees to determine the
9 allocation of funds from the Early Childhood Education Endowment
10 Cash Fund pursuant to section 5 of this act; and

11 (d) Submit to the State Department of Education an
12 annual financial statement of the private endowment, audited by
13 an independent auditor and complying with all applicable Internal
14 Revenue Service requirements. The financial statement shall report
15 details on the private endowment, including the current value
16 of the corpus and the annual receipts to the private endowment
17 categorized by donations and interests, together with a report
18 listing the amount and purpose of expenditures from the private
19 endowment.

20 (3) Upon selection of an endowment provider, the State
21 Department of Education and such endowment provider shall enter
22 into an endowment agreement pursuant to which the state and the
23 endowment provider will agree to deposit funds as provided in
24 subsection (4) of this section.

25 (4) (a) Upon the effective date of an endowment agreement,

1 the state shall provide for the Early Childhood Education Endowment
2 Fund, which is hereby created, in accordance with section 8 of
3 this act. Any money in the fund available for investment shall be
4 invested by the state investment officer pursuant to the Nebraska
5 Capital Expansion Act and the Nebraska State Funds Investment Act.
6 The endowment agreement may provide that the obligations of the
7 endowment provider will terminate if the funds allocated to the
8 Early Childhood Education Endowment Fund pursuant to subsection
9 (12) of section 84-612 terminate as set forth in such section and
10 are not replaced by a minimum of forty million dollars from another
11 source on and after July 1, 2007.

12 (b) All interest, earnings, and proceeds from the Early
13 Childhood Education Endowment Fund shall be deposited in the Early
14 Childhood Education Endowment Cash Fund, which is hereby created.
15 Any money in the fund available for investment shall be invested
16 by the state investment officer pursuant to the Nebraska Capital
17 Expansion Act and the Nebraska State Funds Investment Act. All
18 interest, earnings, and proceeds from the Early Childhood Education
19 Endowment Cash Fund shall be retained in such fund.

20 (c) Upon the effective date of an endowment agreement,
21 the endowment provider shall deposit the amounts set forth in the
22 endowment agreement into a private endowment for the sole benefit
23 of the Early Childhood Education Endowment Fund. Money in the
24 private endowment shall be managed by the endowment provider in
25 accordance with sound, professional, fiduciary practices and in

1 accordance with the endowment agreement.

2 (d) All interest, earnings, and proceeds from the private
3 endowment shall be deposited into the Early Childhood Education
4 Endowment Cash Fund no less than quarterly.

5 Sec. 5. (1) The Early Childhood Education Endowment Cash
6 Fund, consisting of the interest, earnings, and proceeds from
7 the Early Childhood Education Endowment Fund and the interest,
8 earnings, and proceeds from the private endowment created by the
9 endowment provider, and any additional private donations made
10 directly thereto, shall be used exclusively to provide funds for
11 the Early Childhood Education Grant Program for at-risk children
12 from birth to age three as set forth in this section.

13 (2) Grants provided by this section shall be to school
14 districts, cooperatives of school districts, and educational
15 service units for early childhood education programs for at-risk
16 children from birth to age three, as determined by the board of
17 trustees pursuant to criteria set forth by the board of trustees.
18 School districts, cooperatives of school districts, and educational
19 service units may establish agreements with other public and
20 private entities to provide services or operate programs.

21 (3) Each program selected for a grant pursuant to this
22 section may be provided a grant for up to one-half of the total
23 budget of such program per year. Programs selected for grant awards
24 may receive continuation grants subject to the availability of
25 funding and the submission of a continuation plan which meets the

1 requirements of the board of trustees.

2 (4) Programs shall be funded across the state and in
3 urban and rural areas to the fullest extent possible.

4 (5) Each program selected for a grant pursuant to this
5 section shall meet the requirements described in subsection (2)
6 of section 79-1103, except that the periodic evaluations of the
7 program are to be specified by the board of trustees and the
8 programs need not include continuity with programs in kindergarten
9 and elementary grades and need not include instructional hours
10 that are similar to or less than the instructional hours for
11 kindergarten.

12 (6) Up to five percent of the total amount deposited
13 in the Early Childhood Education Endowment Cash Fund each fiscal
14 year may be reserved by the board of trustees for evaluation
15 and technical assistance for the Early Childhood Education Grant
16 Program with respect to programs for at-risk children from birth to
17 age three.

18 Sec. 6. To administer the Early Childhood Education Grant
19 Program with respect to children from birth to age three, the Early
20 Childhood Education Endowment Board of Trustees is created. For
21 administrative support and budgetary purposes only, the board of
22 trustees shall be within the State Department of Education.

23 Sec. 7. (1) The board of trustees shall include the
24 following six members:

25 (a) The Commissioner of Education or his or her designee;

1 (b) The Director of Health and Human Services or his or
2 her designee; and

3 (c) The following persons appointed by the Governor, in
4 his or her discretion:

5 (i) Two persons nominated by the endowment provider;

6 (ii) An early childhood professional representing an
7 urban at-risk area appointed pursuant to subsection (5) of this
8 section; and

9 (iii) An early childhood professional representing a
10 rural at-risk county appointed pursuant to subsection (6) of this
11 section.

12 (2) The terms of office for members initially appointed
13 under subsection (1) of this section shall be three years. Upon
14 completion of the initial terms of such members, the Governor shall
15 appoint the two members under subdivision (1)(c)(i) of this section
16 for terms of one and two years, the member under subdivision
17 (1)(c)(ii) of this section for a term of three years, and the
18 member under subdivision (1)(c)(iii) of this section for a term of
19 two years. Succeeding appointees shall be appointed for terms of
20 three years. An appointee to a vacancy occurring from an unexpired
21 term shall serve out the term of his or her predecessor. Members
22 whose terms have expired shall continue to serve until their
23 successors have been appointed and qualified.

24 (3) The board of trustees shall by majority vote annually
25 elect a chairperson from among the members of the board of

1 trustees.

2 (4) The members of the board of trustees shall be
3 reimbursed for their actual and necessary expenses incurred while
4 engaged in the performance of their official duties as provided in
5 sections 81-1174 to 81-1177.

6 (5) The Governor shall identify an at-risk urban area
7 consisting of not less than ten contiguous census tracts, as
8 determined by the United States Bureau of the Census for the 2000
9 United States Census, within a city of the metropolitan class,
10 which each contain a percentage of families below the poverty
11 line of greater than twenty percent, as reported by the United
12 States Bureau of the Census for the 2000 United States Census.
13 The Governor shall request that a committee, consisting of (a)
14 the member of the Legislature representing the district containing
15 the preponderance of geographic area of such at-risk area, (b)
16 the member of the board of county commissioners representing the
17 district containing the preponderance of geographic area of such
18 at-risk area, and (c) the member of the city council representing
19 the district containing the preponderance of geographic area of
20 such at-risk area, develop a list of not less than two and not more
21 than four nominees for appointment to the board of trustees. Upon
22 receipt of a list of nominees signed by at least two members of the
23 committee, the Governor shall, in his or her discretion, appoint a
24 member to the board of trustees from such list of nominees.

25 (6) The Governor shall, in his or her discretion, appoint

1 one member to the board of trustees who resides in a county which
2 does not contain a city of the metropolitan class or a city of
3 the primary class and which contains a percentage of families below
4 the poverty line of greater than eight and one-half percent, as
5 reported by the United States Bureau of the Census for the 2000
6 United States Census.

7 Sec. 8. (1) From the effective date of an endowment
8 agreement until June 30, 2007, the Early Childhood Education
9 Endowment Fund shall consist of forty million dollars of the Cash
10 Reserve Fund. Such forty million dollars shall remain within the
11 Cash Reserve Fund and remain a part thereof for all purposes,
12 except that interest earned on that portion deemed to constitute
13 the Early Childhood Education Endowment Fund shall accrue to the
14 Early Childhood Education Endowment Cash Fund in accordance with
15 section 84-613.

16 (2) On and after July 1, 2007, the Early Childhood
17 Education Endowment Fund shall consist of any funds allocated to
18 the Early Childhood Education Endowment Fund from funds belonging
19 to the state for educational purposes described in Article VII,
20 section 7, of the Constitution of Nebraska.

21 Sec. 9. Section 84-612, Revised Statutes Supplement,
22 2005, is amended to read:

23 84-612 (1) There is hereby created within the state
24 treasury a fund known as the Cash Reserve Fund which shall be under
25 the direction of the State Treasurer. The fund shall only be used

1 pursuant to this section.

2 (2) The State Treasurer shall transfer funds from the
3 Cash Reserve Fund to the General Fund upon certification by the
4 Director of Administrative Services that the current cash balance
5 in the General Fund is inadequate to meet current obligations. Such
6 certification shall include the dollar amount to be transferred.
7 Any transfers made pursuant to this subsection shall be reversed
8 upon notification by the Director of Administrative Services that
9 sufficient funds are available.

10 (3) On June 15, 2005, the State Treasurer shall transfer
11 twenty-six million dollars from the Cash Reserve Fund to the
12 General Fund.

13 (4) The State Treasurer, at the direction of the
14 budget administrator of the budget division of the Department
15 of Administrative Services, shall transfer such amounts not to
16 exceed seven million seven hundred fifty-three thousand two hundred
17 sixty-three dollars in total from the Cash Reserve Fund to the
18 Nebraska Capital Construction Fund between July 1, 2003, and June
19 30, 2007.

20 (5) The State Treasurer, at the direction of the budget
21 administrator, shall transfer an amount equal to the total amount
22 transferred pursuant to subsection (4) of this section from the
23 General Fund to the Cash Reserve Fund on or before June 30, 2008.

24 (6) In addition to receiving transfers from other funds,
25 the Cash Reserve Fund shall receive federal funds received by the

1 State of Nebraska for undesignated general government purposes,
2 federal revenue sharing, or general fiscal relief of the state.

3 (7) On July 29, 2005, the State Treasurer shall transfer
4 one hundred forty-five million eight hundred eleven thousand three
5 hundred sixty-eight dollars from the Cash Reserve Fund to the
6 Low-Level Radioactive Waste Settlement Fund.

7 (8) On June 15, 2007, the State Treasurer shall transfer
8 fifteen million six hundred seventy-four thousand one hundred seven
9 dollars from the Cash Reserve Fund to the General Fund.

10 (9) On June 15, 2008, the State Treasurer shall transfer
11 seventeen million nine hundred thirty-one thousand thirty dollars
12 from the Cash Reserve Fund to the General Fund.

13 (10) On June 15, 2009, the State Treasurer shall transfer
14 four million nine hundred ninety thousand five hundred five dollars
15 from the Cash Reserve Fund to the General Fund.

16 (11) On or before July 8, 2005, the State Treasurer shall
17 transfer fifteen million dollars from the Cash Reserve Fund to the
18 Job Training Cash Fund. This transfer shall be returned to the Cash
19 Reserve Fund in amounts according to section 81-1201.21.

20 (12) From the effective date of an endowment agreement
21 as defined in subdivision (3)(c) of section 79-1101 until June
22 30, 2007, forty million dollars of the Cash Reserve Fund shall be
23 deemed to constitute the Early Childhood Education Endowment Fund.
24 Such funds shall remain part of the Cash Reserve Fund for all
25 purposes, except that the interest earned on such forty million

1 dollars shall accrue as provided in section 84-613.

2 Sec. 10. Section 84-613, Revised Statutes Cumulative
3 Supplement, 2004, is amended to read:

4 84-613 Any money in the Cash Reserve Fund available
5 for investment shall be invested by the state investment officer
6 pursuant to the Nebraska Capital Expansion Act and the Nebraska
7 State Funds Investment Act. Until July 1, 2007, any interest
8 earned by the fund shall accrue to the General Fund, except
9 for interest earned on forty million dollars if such money is
10 deemed to constitute the Early Childhood Education Endowment Fund
11 in accordance with subsection (12) of section 84-612. From the
12 effective date of an endowment agreement as defined in subdivision
13 (3)(c) of section 79-1101 until June 30, 2007, interest earned
14 on the forty million dollars deemed to constitute the Early
15 Childhood Education Endowment Fund shall accrue to the Early
16 Childhood Education Endowment Cash Fund. Commencing July 1, 2007,
17 any interest earned by the Cash Reserve Fund shall accrue to the
18 Building Renewal Allocation Fund.

19 Sec. 11. Original sections 79-1101 and 79-1104, Reissue
20 Revised Statutes of Nebraska, section 84-613, Revised Statutes
21 Cumulative Supplement, 2004, and sections 79-1103 and 84-612,
22 Revised Statutes Supplement, 2005, are repealed.